

FINANCIAL STATEMENTS

**TOWNSHIP OF HADLEY
LAPEER COUNTY, MICHIGAN**

June 30, 2007

TOWNSHIP BOARD

WILLIAM DUTKO - Supervisor

CYNTHIA DALY - Clerk

LLOYD BROECKER - Treasurer

RICHARD BRANDT - Trustee

PAUL BIGLER - Trustee

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Township of Hadley	County Lapeer
Fiscal Year End June 30, 2007	Opinion Date December 21, 2007	Date Audit Report Submitted to State December 31, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

SM
2

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.


We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) Robson & McCallum CPA's		Telephone Number 810.664.2961		
Street Address 624 W. Nepessing St - Suite 106		City Lapeer	State MI	Zip 48446
Authorizing CPA Signature 		Printed Name Carole A. Robson CPA		License Number 1101008971

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ROBSON AND McCALLUM
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Carole A. Robson, CPA • Scott A. McCallum, CPA • Members AICPA and MACPA

INDEPENDENT AUDITOR'S REPORT

Township Board
Township of Hadley
4293 Pratt Road
Hadley, Michigan 48440

We have audited the accompanying financial statements of the governmental activities, and the aggregate remaining fund information of Hadley Township (the "Township"), Hadley, Michigan, as of and for the year ended June 30, 2007, which collectively comprise the Township's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Bulletin for Audits of Local Units of Government in Michigan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Hadley at June 30, 2007 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Robson and McCallum
December 21, 2007

TOWNSHIP OF HADLEY
LAPEER COUNTY
LAPEER, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the Township Board of the Hadley Township, we offer readers of the Township's financial statements this narrative overview and analysis of the Township's financial activities of Hadley Township for the fiscal year ended June 30, 2007.

Financial Highlights

The assets of Hadley Township exceeded its liabilities at the close of the most recent fiscal year by \$3,180,173, of this amount, \$455,565 may be used to meet the Township's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,180,173 an increase of \$205,915 in comparison with the prior year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$375,831, or .82% of total general fund expenditures before equipment purchases. Unreserved fund balance for the Fire Fund was \$217,172, or 1.92% of total Fire Fund expenditures before equipment purchases. Unreserved fund balance for the First Responders Fund was \$43,792, or .79% of total First Responders Fund expenditures.

The Township established Capital Improvement Funds and set aside \$400,000 for the General Fund, \$50,000 for the Fire Fund, and \$75,000 for the First Responder Fund. Capital improvements consist of real property, equipment, and major repairs/renovations.

The Township's total liabilities decreased by \$107,077 during the current fiscal year. The key factor in this decrease is note principle reduction of \$90,000 - the balance due for the Township office building.

Overview of the Financial Statements

Using this Annual Report

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a similar to a private-sector business.

The Statement of Net Assets presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as useful indicators of whether the financial position of the Township is improving or deteriorating.

The Statement of Activities presents information showing how the Township's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (**governmental activities**) from other functions that are intended to recover all of a significant portion of their costs through user fees and charges (**business-type activities**). The governmental activities of the Township include general government, public safety, road projects, health, and culture/recreation.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Hadley Township maintains four (4) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire Fund and First Responders Fund which are considered to be major funds. The Township adopts an annual appropriations budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund and other major funds to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7 through 11 of this report.

Government-Wide Financial Analysis

	<u>GOVERNMENTAL ACTIVITIES</u>	
	<u>2007</u>	<u>2006</u>
<u>Assets</u>		
Current and Other Assets	\$1,252,837	\$1,205,582
Capital Assets	<u>2,408,644</u>	<u>2,357,061</u>
Total Assets	<u>\$3,661,481</u>	<u>\$3,562,643</u>
<u>Liabilities</u>		
Long-Term Liabilities	\$ 360,000	\$ 450,000
Other Liabilities	<u>121,308</u>	<u>138,385</u>
Total Liabilities	<u>\$ 481,308</u>	<u>\$ 588,385</u>
<u>Net Assets</u>		
Invested in Capital Assets	\$1,958,644	\$1,812,061
Restricted for Health and Public Safety	250,964	426,467
Restricted for Capital Improvements	525,000	-0-
Unrestricted/Undesignated	<u>445,565</u>	<u>735,730</u>
Total Net Assets	<u>\$3,180,173</u>	<u>\$2,974,258</u>

The following table shows the changes of the net assets as of June 30, 2007 and June 30, 2006

	<u>GOVERNMENTAL ACTIVITIES</u>	
	<u>2007</u>	<u>2006</u>
<u>Program Revenues</u>		
Charges for Services	\$ 33,685	\$ 41,942
Capital Grants and Contributions	28,903	14,600
Operating Grants	15,277	-0-
General Revenue		
Property Taxes	411,151	403,902
State Shared Revenue	322,990	333,315
Fees and Licenses	7,439	6,630
Unrestricted Investment Earnings	<u>53,600</u>	<u>42,460</u>
Total Revenues	<u>\$ 873,045</u>	<u>\$ 842,849</u>
<u>Program Expenses</u>		
General Government	\$ 314,077	\$ 310,908
Public Safety	243,948	142,069
Public Works	41,097	68,044
Health and Welfare	16,754	63,483
Planning	19,430	14,137
Parks and Recreation	9,837	7,937
Library	2,285	3,562
Interest on Long-Term Debt	<u>19,702</u>	<u>23,059</u>
Total Expenses	<u>\$ 667,130</u>	<u>\$ 633,199</u>
Change in Net Assets	<u>\$ 205,915</u>	<u>\$ 209,650</u>

At the end of the current fiscal year, the Township is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental activities. The same situation held true for the prior fiscal year.

Capital Asset and Debt Administration

Capital Assets. The Township's investment in capital assets for its governmental activities as of June 30, 2007, amounts to \$2,408,644 (net of accumulated depreciation). As noted earlier, net assets may serve over time as a useful indicator of the government's financial position. In the case of Hadley Township, assets exceeded liabilities by \$3,180,173 at the close of the most recent fiscal year. The most significant portion of the Township's net assets (61.6%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Township used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The total increase in the Township's investment in capital assets for the current fiscal year was \$180,071. Major capital asset acquisitions during the current fiscal year included fire equipment, completion of the pavilion at the Old Mill, and a truck for the First Responders.

Long-term debt. At the end of the current fiscal year, the Township had total unsecured debt outstanding of \$450,000. Of this amount, 100% comprises debt backed by the full faith and credit of the government. During the year, the Township retired \$90,000 of debt and paid \$19,702 in interest. Additional information on the Township's long-term debt can be found in the notes on page 11.

Public Contribution. During the year the Township completed the pavilion at the Old Mill funded in part through the generous contribution of \$9,000 from the Hadley Lions Club.

Non-Compliance with Budget Requirements. The Township authorized the Fire Fund purchase of fire gear funded by a Homeland Security Grant without amending the budget for either the expenditure or the revenue.

Economic Factors and Next Year's Budget and Rates

State-shared revenues are expected to remain about the same in the 2007-2008 fiscal year unless unemployment increases. The Township's millage rate was again reduced by the Headlee Amendment rollback. These factors were considered in preparing the Township's budget for the 2007-2008 fiscal year. The Township has presented a balanced budget in the 2007-2008 fiscal year budget.

Request for Information

This financial report is intended to provide a general overview of Hadley Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Supervisor of Hadley Township at 4293 Pratt Road, PO Box 227, Hadley, MI, 48440.

STATEMENT OF NET ASSETS
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
June 30, 2007

GOVERNMENTAL ACTIVITIES

ASSETS

Current Assets:

Cash and Cash Equivalents		\$ 1,170,706
Receivables:		
Other Governments	\$ 79,637	
Taxes	1,947	
Township Officials	<u>547</u>	<u>82,131</u>

Total Current Assets		\$ 1,252,837
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Capital Assets:

Land	\$ 274,007
Buildings and Improvements	1,703,755
Equipment	460,418
Vehicles	<u>771,574</u>
Total Capital Assets	\$ 3,209,754
Less: Accumulated Depreciation	<u>(801,110)</u>

Net Capital Assets		<u>2,408,644</u>
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Total Assets		\$ 3,661,481
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LIABILITIES

Accounts Payable	\$ 18,601
Deposits	4,210
Due to Others	8,497
Current Portion of Long-Term Debt	90,000
Non-Current Liabilities	
National City Note	<u>360,000</u>

Total Liabilities		<u>481,308</u>
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NET ASSETS

\$ 3,180,173

NET ASSETS - DETAIL

Invested in Capital Assets - net of debt	\$ 1,958,644
Restricted for Health and Public Safety	250,964
Restricted for Capital Improvements	525,000
Unrestricted/Undesignated	<u>445,565</u>

Total Net Assets		<u>\$ 3,180,173</u>
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STATEMENT OF ACTIVITIES
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
Year Ended June 30, 2007

		NET(EXPENSE) REVENUE AND CHANGES IN NET ASSETS PRIMARY OPERATING GRANT GOVERNMENTAL REVENUE ACTIVITIES
	<u>EXPENSES</u>	
<u>FUNCTIONS/PROGRAMS</u>		
General Government	\$(314,077)	\$ (280,392)
Public Safety	(243,948)	(243,948)
Public Works	(41,097)	(25,820)
Public Health	(16,754)	(16,754)
Planning	(19,430)	(19,430)
Parks and Recreation	(9,837)	(9,837)
Library	(2,285)	(2,285)
Interest on Long-Term Debt	(19,702)	(19,702)
Total Primary Government Activities	<u>\$(667,130)</u>	\$ (618,168)
<u>GENERAL REVENUES</u>		
Property Taxes		411,151
State Shared Revenue		322,990
Federal Grant - Capital Asset		19,903
Public Contribution - Capital Asset		9,000
Fees and Licenses		7,439
Unrestricted Investment Earnings		<u>53,600</u>
Change in Net Assets		\$ 205,915
Net Assets - July 1, 2006		<u>2,974,258</u>
Net Assets - June 30, 2007		<u>\$3,180,173</u>

See Auditor's Report and Notes to the Financial Statements.

BALANCE SHEET
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
June 30, 2007

	GENERAL FUND	FIRE FUND	FIRST RESPONDERS	CAPITAL PROJECTS FUNDS	TOTAL
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 386,367	\$ 210,951	\$ 48,388	\$ 525,000	\$1,170,706
Taxes Receivable	789	754	404		1,947
Grant Receivable		19,903			19,903
Due From Township Officials	547				547
Due From Other Funds	5,000				5,000
Total Assets	<u>\$ 392,703</u>	<u>\$ 231,608</u>	<u>\$ 48,792</u>	<u>\$ 525,000</u>	<u>\$1,198,103</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 4,165	\$ 14,436	\$ -0-	\$ -0-	\$ 18,601
Deposits	4,210				4,210
Due to Other Funds			5,000		5,000
Due to Others	8,497				8,497
Total Liabilities	<u>\$ 16,872</u>	<u>\$ 14,436</u>	<u>\$ 5,000</u>	<u>\$ -0-</u>	<u>\$ 36,308</u>
<u>FUND EQUITY</u>					
Restricted					
General Fund	\$ -0-	\$ -0-	\$ -0-	\$ 400,000	\$ 400,000
Fire Fund				50,000	50,000
First Responders Fund				75,000	75,000
Undesignated - Fund Equity	<u>375,831</u>	<u>217,172</u>	<u>43,792</u>		<u>636,795</u>
Total Fund Equity	<u>\$ 375,831</u>	<u>\$ 217,172</u>	<u>\$ 43,792</u>	<u>\$ 525,000</u>	<u>\$1,161,795</u>
Total Liabilities and Fund Equity	<u>\$ 392,703</u>	<u>\$ 231,608</u>	<u>\$ 48,792</u>	<u>\$ 525,000</u>	<u>\$1,198,103</u>

**RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
JUNE 30, 2007**

Net Assets - Total Governmental Funds \$ 3,180,173

Amounts reported for Governmental Activities in Statement of
Net Assets are different because:

Capital assets used in governmental activities are not financial
resources and therefore; are not reported in the governmental funds

Governmental Capital Assets	\$ 3,209,754	
Less: Accumulated Depreciation	<u>(801,110)</u>	(2,408,644)

Receivables recognized using the full accrual method of accounting that are not considered current financial resources for Governmental Fund Accounting		(59,734)
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Long-Term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		<u>450,000</u>
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Governmental Fund Balances		<u>\$ 1,161,795</u>
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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
Year Ended June 30, 2007

	GENERAL FUND	FIRE FUND	FIRST RESPONDER FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENT FUND
REVENUES					
Property Taxes	\$ 174,445	\$ 152,344	\$ 84,362	\$ -0-	\$ 411,151
Federal Grant		19,903			19,903
State Shared Revenue	373,078				373,078
Fees and Licenses	7,439				7,439
Charges for Services	12,196				12,196
Rent	17,445				17,445
Interest	38,912	9,857	4,831		53,600
County Contributions	15,277				15,277
Public Donations	9,000				9,000
Other	4,098	16			4,114
Total Revenues	\$ 651,890	\$ 182,120	\$ 89,193	\$ -0-	\$ 923,203
CHARGES TO APPROPRIATIONS (Outflows)					
Current:					
General Government	\$ 261,583	\$ -0-	\$ -0-	\$ -0-	\$ 261,583
Public Safety		112,909	55,357		168,266
Public Works	41,097				41,097
Public Health	16,754				16,754
Planning	19,430				19,430
Parks and Recreation	9,595				9,595
Library	2,285				2,285
Capital Outlay	36,491	54,591	88,989		180,071
Debt Service	109,702				109,702
Total Charges to Appropriations	\$ 496,937	\$ 167,500	\$ 144,346	\$ -0-	\$ 808,783
Revenues Over (Under) Expenditures	\$ 154,953	\$ 14,620	\$ (55,153)	\$ -0-	\$ 114,420
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	\$ (400,000)	\$ (50,000)	\$ (75,000)	\$ 525,000	\$ -0-
FUND BALANCE - July 1	620,878	252,552	173,945	-0-	\$1,047,375
FUND BALANCE - June 30	\$ 375,831	\$ 217,172	\$ 43,792	\$ 525,000	\$1,161,795

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
Year ended June 30, 2007

Change in Net Assets of Governmental Funds	\$ 205,915
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:	
Difference in revenue using the full accrual method of accounting that is not required for governmental fund accounting.	50,158
Governmental Funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	(51,653)
Governmental Funds report the repayment of debt as an expenditure. The repayment of debt reduces the liability in the Statement of Net Assets.	<u>(90,000)</u>
Net change in fund balance - Total Governmental Funds	<u>\$ 114,420</u>

NOTES TO THE FINANCIAL STATEMENTS
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
June 30, 2007

The Township of Hadley is a general law Township operating under Article 7, Section 17 of the Michigan Constitution of 1963 and under the revised statutes of 1846, as amended. Hadley Township is governed by a Board consisting of the Supervisor, Clerk, Treasurer and two Trustees. The Township provides its residents with public safety (police, fire, inspections, and planning and zoning), highways and streets, public improvements, parks and recreation and general administrative services.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting and reporting policies of the Township of Hadley (the "Township"), conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The more significant accounting policies of the Township are described below.

SCOPE OF REPORTING ENTITY:

The Township of Hadley operates under an elected form of government. The financial statements of the Township contain all the Township's executive or legislative branches. Control by or dependence on the Township was determined on the basis of appointment of governing authority, budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Township, obligations of the Township to finance any deficits that may occur, receipt of significant subsidies from the Township, disposition of surplus funds, and the scope of public service. The Township does not have any component units.

JOINT OPERATIONS:

Greenwood Cemetery - Hadley Township has entered into a cost sharing arrangement with Elba Township for the maintenance of Greenwood Cemetery, located in Hadley Township. Hadley Township paid \$6,100 toward operations for the fiscal year ended June 30, 2007. Separate financial statements are available at Hadley Township offices.

BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Township. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include: (1) charges to customers or applicants whose purchase, use or directly benefit from goods, services, or privileges provided by a given program; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

FUND FINANCIAL STATEMENTS:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The accounts of the government are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The financial activities of the Township are recorded in separate funds, categorized as follows: General, Special Revenue, and Capital Projects.

MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement Focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets under the accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period, generally collected within 60 days of the end of the current fiscal period.

NOTES TO THE FINANCIAL STATEMENTS
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
June 30, 2007

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income, and intergovernmental revenues. Sales taxes collected and held by the State at year-end on behalf of the Township are also recognized as revenue. All other Governmental Fund Type revenues are recognized when received.

The General Fund, the major governmental fund, is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

BANK DEPOSITS AND INVESTMENTS

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

RECEIVABLES AND PAYABLES

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

CASH AND INVESTMENTS:

Deposits are carried at cost. Deposits are in one financial institutions in the Township's name. Michigan Compiled Laws, Section 129.91, authorizes the local unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations. Investments can also be made in bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States, which are guaranteed as to principal and interest by the United States, including securities issued by the Government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the three highest classifications by not less than two standard rating services which mature not more than 270 days after the date of purchase and which involve no more than 50 percent of any one fund; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money.

PROPERTY TAXES

Property taxes are levied each December 1st on the State equalized value of property located in the Township as of the preceding December. Taxable values are based on assessed values which are established annually and equalized by the State at an estimated 50% of current market value.

CAPITAL ASSETS:

Capital assets which include property, plant and equipment, are reported in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated Assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Governmental</u>	
Buildings and Improvements	5 - 50 Years
Equipment	5 - 20 Years
Vehicles	5 - 20 Years

NOTES TO THE FINANCIAL STATEMENTS
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
June 30, 2007

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

NET ASSETS:

Net Assets represent the difference between assets and liabilities. Net Assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, or laws or regulations of governments.

USE OF ESTIMATES:

The preparation of basic financial statements in conformance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

BUDGETARY AND LEGAL COMPLIANCE:

BUDGETARY DATA:

The following procedures were completed in establishing the budgetary data reflected in the financial statements:

The modified accrual based budget was legally enacted on a departmental (activity) basis through the passage of a resolution for the general fund, by total for the fire fund and the first responder fund.

The budget was used by the Township Board as a management tool during the year for all budgetary funds. Any revisions that altered the total expenditures of any department were approved by the Township Board.

Budget appropriations lapse at year end, except for approved contracts and certain federal grants which are appropriated on a contract (grant) or entitlement length basis.

The original budget was amended during the year in compliance with applicable State laws. The budget to actual expenditures in the financial statements represent the final budget as amended by the Township Board.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a departmental basis.

Operating budgets were overexpended as follows:

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Fire Fund	<u>\$192,950</u>	<u>\$217,500</u>	<u>\$(24,550)</u>

DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS:

CASH AND INVESTMENTS:

The Township's deposits are in accordance with statutory authority. At June 30, 2007, the balance sheet carrying amount of cash deposits was \$1,170,706. The bank balance as of June 30, 2007 was \$1,231,433 of which \$100,000 was covered by FDIC insurance.

The combined balance sheet carrying amount of cash, cash equivalents, and investments consists of the following:

	<u>CASH AND CASH EQUIVALENTS</u>
Bank Deposits (Checking, Savings, and Time Certificate)	\$ 736,483
Mutual Fund (Government)	<u>434,223</u>
Total Reported on Balance Sheet	<u>\$1,170,706</u>

NOTES TO THE FINANCIAL STATEMENTS
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
June 30, 2007

DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS: (CONTINUED)

CASH AND INVESTMENTS: (CONTINUED)

Common Checking Account:

The cash balances reported in each fund as of June 30, 2007 are as follows:

<u>FUND</u>	<u>CHECKING</u>
General Fund	\$300,117
Fire Fund	210,951
Capital Improvement Fund	50,000
First Responder Fund	40,449
Total	<u>\$601,517</u>

CUSTODIAL CREDIT RISK

In the event of a bank failure, the Township's deposits may be recovered. Neither state law nor the Township's investment policy requires consideration of custodial credit risk. The bank balance exposed to custodial credit risk is:

	<u>BANK BALANCE</u>
Insured by F.D.I.C	\$ 100,000
Uninsured and Uncollateralized	<u>1,070,706</u>
Total Reported on Balance Sheet	<u>\$1,170,706</u>

DUE FROM TOWNSHIP OFFICIALS

The Township provides a group health insurance plan for employees who elect to participate but does not cover any of the costs. The Township pays the premium and the employees reimburse the Township the following month.

PROPERTY TAXES

The 2006 taxable value of the Township totaled \$1.9367; ad valorem taxes levied consisted of .8203 mills for operating purposes, .7185 mills for fire protection, and .3979 for first responders.

The Township bills and collects Township property taxes and also taxes for the county and school districts within its boundaries. Collections and remittances of the county and school taxes are accounted for in the Current Tax Collection Fund. Township property tax revenues are recognized as revenues in the fiscal year levied.

Property taxes levied on December 1st are payable without penalty through February 14th. As of March 1st, unpaid taxes attach as an enforceable lien on the property. Delinquent taxes are purchased by the County of Lapeer.

PENSION PLAN

The Township has adopted the Manufacturer's Life insurance Company's prototype defined contribution plan. Initially effective, June 1, 1969, the plan is 100% funded by the Township. The plan is available to all elected officials and hourly employees who work more than 20 hours per week. Employer contributions are 20% of compensation, plus plan costs. In addition, each employee can elect to make voluntary after-tax contributions of 1% to 5% of compensation.

During the year, the Township's required and actual contributions were \$16,817 which was 20% of its current-year covered payroll. No pension provision changes occurred during the year that affected the required contributions to be made by the Township or its employees.

CAPITAL ASSETS:

Capital asset activity of the primary government for the current year as follows:

	<u>BALANCE</u> <u>7/01/06</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>6/30/07</u>
Capital Assets Not Being Depreciated				
Land	\$ 274,007	\$ -0-	\$ -0-	\$ 274,007
Capital Assets Being Depreciated				
Building and Improvements	\$1,672,848	\$ 30,976	\$ -0-	\$1,703,824
Equipment	396,324	64,095	3,495	456,924
Vehicles	<u>686,574</u>	<u>85,000</u>		<u>771,574</u>
Total Capital Assets Being Depreciated	<u>\$2,755,746</u>	<u>\$ 180,071</u>	<u>\$ 3,495</u>	<u>\$2,932,322</u>
Less Accumulated Depreciation	<u>\$ 672,692</u>	<u>\$ 128,418</u>	<u>\$ -0-</u>	<u>\$ 801,110</u>
Net Capital Assets Being Depreciated	<u>2,083,054</u>	<u>51,653</u>	<u>3,495</u>	<u>2,131,212</u>
Governmental Activity Assets, Net	<u>\$2,357,061</u>	<u>\$ 51,653</u>	<u>\$ 3,495</u>	<u>\$2,405,219</u>

NOTES TO THE FINANCIAL STATEMENTS
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
June 30, 2007

DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS: (CONTINUED)

CAPITAL ASSETS:(CONTINUED)

Depreciation expense charged as direct expense to programs of the primary government:

General Government	\$ 52,736
Public Safety	62,207
Public Health	13,475
	<u>\$ 128,418</u>

GENERAL LONG-TERM DEBT:

	<u>BALANCE</u> <u>06/30/06</u>	<u>Decrease</u>	<u>BALANCE</u> <u>06/30/07</u>
Unsecured note dated 06/01/2002 in the amount of \$900,000 to finance the Township Hall, principle payments of \$90,000 plus interest at 3.61% are due on June 1st of each year	<u>\$ 540,000</u>	<u>\$ 90,000</u>	<u>\$ 450,000</u>

The annual principle and interest requirements through maturity as of June 30, 2007 are as follows:

06/01/2008	\$106,515.75
06/01/2009	103,176.50
06/01/2010	99,882.38
06/01/2011	96,588.25
06/01/2012	<u>93,303.15</u>
Total	<u>\$499,466.03</u>

INTERFUND RECEIVABLES AND TRANSFERS

Receivables/Payables

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	<u>\$ 5,000</u>	First Responder Fund	<u>\$ 5,000</u>

Interfund Transfers

<u>Fund Providing Resource</u>	<u>Amount</u>	<u>Receiving Fund</u>	<u>Amount</u>
General Fund	\$ 400,000	General Capital Projects Fund	\$ 400,000
Fire Fund	50,000	Fire Capital Projects Fund	50,000
First Responder Fund	<u>75,000</u>	First Responder Capital Projects Fund	<u>75,000</u>
Total	<u>\$ 525,000</u>		<u>\$ 525,000</u>

OTHER INFORMATION

RISK MANAGEMENT

The Township is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and automobile accidents. To cover these risks, the Township participates in the Michigan Municipal Liability and Property Pool. The Township pays an annual premium for this coverage.

The Michigan Municipal Liability and Property Pool has effectively retained all risk. The Township has maintained the same level of coverage as compared to the prior year. No instances of settlements exceeding insurance coverage for the past three years have been noted.

PUBLIC CONTRIBUTION

During the year the Township completed the pavilion at the Old Mill funded in part through a contribution of \$9,000 from the Hadley Lions Club.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE -BUDGET AND ACTUAL - GENERAL FUND
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
Year Ended June 30, 2007**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>
	<u>BUDGET</u>	<u>BUDGET</u>		<u>(UNFAVORABLE)</u>
<u>FUND BALANCE</u> - July 1, 2006	\$ 620,878	\$ 620,878	\$ 620,878	\$ -0-
<u>RESOURCES (Inflows)</u>				
Property Taxes	181,000	181,000	174,445	(6,555)
State Shared Revenue	320,000	320,000	373,078	53,078
Public Donations			9,000	9,000
Fees and Licenses	6,000	6,000	7,439	1,439
Charges for Services	10,000	10,000	12,196	2,196
Rent	16,000	16,000	17,445	1,445
Interest	17,000	17,000	38,912	21,912
Contributions from County			15,277	15,277
Other			4,098	4,098
Amounts Available for Appropriations	<u>\$1,170,878</u>	<u>\$1,170,878</u>	<u>\$1,272,768</u>	<u>\$ 101,890</u>
<u>CHARGES TO APPROPRIATIONS (Outflows)</u>				
Current:				
Trustees	\$ 12,000	\$ 12,000	\$ 9,455	\$ 2,545
Supervisor	38,500	38,500	28,876	9,624
Elections	9,000	9,000	6,463	2,537
Assessor	36,000	36,000	35,489	511
Clerk	38,500	38,500	32,961	5,539
Board of Review	3,500	3,500	2,496	1,004
Treasurer	42,000	42,000	33,052	8,948
Township Hall	50,000	26,500	11,258	15,242
Cemetery	10,000	10,000	6,100	3,900
Township Office	<u>103,500</u>	<u>102,500</u>	<u>95,433</u>	<u>7,067</u>
Total General Government	<u>\$ 343,000</u>	<u>\$ 318,500</u>	<u>\$ 261,583</u>	<u>\$ 56,917</u>
Public Health	\$ 14,000	\$ 19,000	\$ 16,754	\$ 1,246
Planning	15,000	24,500	19,430	5,070
Public Works	53,000	53,000	41,097	11,903
Parks and Recreation	10,000	10,000	9,595	405
Library	6,000	6,000	2,285	3,715
Capital Outlay	38,000	38,000	36,491	1,509
Contribution to Capital Improvement Fund		400,000	400,000	-0-
Debt Service:				
Principal	90,000	90,000	90,000	-0-
Interest	<u>20,000</u>	<u>20,000</u>	<u>19,702</u>	<u>298</u>
Total Charges to Appropriations	<u>\$ 589,000</u>	<u>\$ 979,000</u>	<u>\$ 896,937</u>	<u>\$ 82,063</u>
<u>FUND BALANCE</u> - June 30, 2007	<u>\$ 581,878</u>	<u>\$ 191,878</u>	<u>\$ 375,831</u>	<u>\$ 183,953</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE -BUDGET AND ACTUAL - FIRE FUND
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
Year Ended June 30, 2007

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>
	<u>BUDGET</u>	<u>BUDGET</u>		<u>(UNFAVORABLE)</u>
<u>FUND BALANCE</u> - July 1, 2006	\$ 252,552	\$ 252,552	\$ 252,552	\$ -0-
<u>RESOURCES (Inflows)</u>				
Property Taxes	154,000	154,000	152,344	
Federal Grant			19,903	
Interest	5,000	5,000	9,857	
Miscellaneous			16	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts Available for Appropriations	\$ 411,552	\$ 411,552	\$ 434,672	\$ 23,120
<u>CHARGES TO APPROPRIATIONS (Outflows)</u>				
Salaries and Wages	\$ -0-	\$ -0-	\$ 53,133	\$ -0-
Supplies			6,733	
Telephone			1,218	
Insurance			18,094	
Public Utilities			3,795	
Repairs and Maintenance			25,728	
Various			1,586	
Education Training			2,622	
Capital Outlay			54,591	
Contribution to Capital Improvement Fund			50,000	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Charges to Appropriations	\$ 142,950	\$ 192,950	\$ 217,500	\$ (24,550)
<u>FUND BALANCE</u> - June 30, 2007	<u>\$ 268,602</u>	<u>\$ 218,602</u>	<u>\$ 217,172</u>	<u>\$ (1,430)</u>

(Budget is adopted by total appropriations)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE -BUDGET AND ACTUAL - FIRST RESPONDERS
TOWNSHIP OF HADLEY - LAPEER COUNTY, MICHIGAN
Year Ended June 30, 2007**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>
	<u>BUDGET</u>	<u>BUDGET</u>		<u>(UNFAVORABLE)</u>
<u>FUND BALANCE</u> - July 1, 2006	\$ 173,945	\$ 173,945	\$ 173,945	\$ -0-
<u>RESOURCES (Inflows)</u>				
Property Taxes	85,000	85,000	84,362	
Interest	<u>3,500</u>	<u>3,500</u>	<u>4,831</u>	
Amounts Available for Appropriations	\$ 262,445	\$ 262,445	\$ 263,138	\$ 693
<u>CHARGES TO APPROPRIATIONS (Outflows)</u>				
Wages	\$ -0-	\$ -0-	\$ 33,690	\$ -0-
Uniforms			342	
Supplies			5,421	
Telephone			812	
Insurance			3,359	
Utilities			2,530	
Repairs and Maintenance			3,266	
Education and Training			5,762	
Miscellaneous			175	
Capital Outlay			88,989	
Contribution to Capital Improvement Fund			<u>75,000</u>	
Total Charges to Appropriations	\$ 84,550	\$ 244,550	\$ 219,346	\$ 25,204
<u>FUND BALANCE</u> - June 30, 2007	<u>\$ 177,895</u>	<u>\$ 17,895</u>	<u>\$ 43,792</u>	<u>\$ 25,897</u>

(Budget is adopted by total appropriations)



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Township Board
Township of Hadley
4293 Pratt Road
Hadley, MI 48440

We have audited the basic financial statements of the Township of Hadley for the year ended June 30, 2007 and have issued our report thereon dated December 21, 2007. Professional standards require that we communicate certain matters to you related to our audit.

OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS

We are responsible for conducting our audit under auditing standards generally accepted in the United States of America as described in our engagement letter dated May 22, 2007. Our responsibility is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the basic financial statements are free of material misstatement, whether caused by error or by fraud. The concept of reasonable assurance indicates that we did not test all transactions; therefore, there is a risk that material errors, fraud, or illegal acts may have occurred that we did not detect in our audit.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Township of Hadley are described in detail in the notes to the basic financial statements. There were no new or revised accounting changes adopted this year by the Township. As part of our audit, we did not notice any transactions that were conducted at significant variance with these policies.

AUDIT ADJUSTMENTS

Under our professional standards, a significant audit adjustment is one that is proposed by us and, in our judgment, may not have been detected by your employees in the normal course of their activities. Management is responsible for making all material audit adjustments proposed by us during the course of the audit and in our judgment all of these adjustments have been made by management. Management is also responsible for any immaterial audit adjustment whether proposed by us or not. We do not believe that these immaterial audit adjustments, either individually or in the aggregate, have a material effect on the general purpose financial statements. We did not propose an audit adjustment that in our opinion would either individually or in the aggregate have a significant effect on the basic financial statements.

OTHER INFORMATION REQUIRED TO BE COMMUNICATED

Auditing standards require us to inform you of other significant issues such as, but not limited to, 1) Accounting estimates that are particularly sensitive because of their significance to the financial statements or the possibility that future events affecting them may differ markedly from current managements judgments; 2) Disagreements with management regarding the scope of the audit or application of accounting principles; 3) Consultation with other auditors; 4) Major issues discussed with management prior to retention; 5) Difficulties encountered in performing the audit.

We have no significant issues to report to you at this time.

COMMENTS AND RECOMMENDATIONS REGARDING INTERNAL CONTROLS/ COMPLIANCE/ EFFICIENCY

During the year, the Township was awarded a Homeland Security Grant for the purchase of fire gear. The Township purchased the gear, but did not amend the Fire Budget to reflect the purchase resulting in an overspent budget.

We recommend that the Township budget new revenues and the related appropriations before making an expenditure.


The Township contributes monies for the upkeep and improvement of the Greenwood Cemetery, jointly owned with the Township of Elba and managed by two members of each Township's board.

We recommend that the Greenwood Cemetery books be audited.

The Township does not have a Capital Asset policy.

We recommend the Township adopt a Capital Asset policy defining "capital asset" and indicating the dollar value of items to be set up and the life.

This report is intended solely for the use of the Township Board of Hadley Township and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


Robson and McCallum, CPA's
December 21, 2007